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FILE COPY

IN THE

Supreme Court of the United States

October Term, 1940

No. 666

DETROLA RADIO AND TELEVISION CORPORATION,
Petitioner,

vs.

HAZELTINE CORPORATION,
Respondent.

PETITION OF DETROLA RADIO AND TELEVISION CORPORATION FOR A WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT, AND BRIEF IN SUPPORT THEREOF.

SAMUEL E. DARBY, JR.,
Counsel for Petitioner.

FLOYD H. CREWS,
HENRY P. ROSIN,
Of Counsel.

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PETITION OF DETROLA RADIO AND TELEVISION CORPORATION FOR A WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT.

To the Honorable, the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your Petitioner, Detrola Radio and Television Corporation, respectfully prays for a writ of certiorari to the Circuit Court of Appeals for the Sixth Circuit to review the judgment of that Court entered on the 9th day of December, 1940. A transcript of the record in the case, including the proceedings in said Circuit Court of Appeals, is furnished herewith in accordance with the rules of this Court.

Summary and Short Statement of the Matter Involved.

This is a patent infringement suit in which the Court of Appeals for the Sixth Circuit has held to be valid and

infringed the reissue of Wheeler Patent No. 1,879,863 which had previously been held by the Court of Appeals for the Second Circuit to be invalid for want of disclosure of any patentable invention (*Hazeltine* v. *Abrams et al.*, 79 Fed. (2d) 329).

1. Respondent (plaintiff below), Hazeltine Corporation is the owner of the Wheeler patent. It is a patent holding company, the sole business of which is to acquire and own patent rights under which it grants licenses for royalties which comprise its sole source of income (Finding 12, R. Vol. II, p. 843).

2. Suit was instituted in New York by Hazeltine Corporation for alleged infringement of the Wheeler patent, in which case the Court of Appeals for the Second Circuit held the patent to be invalid for failure to disclose a patentable invention (*Hazeltine* v. *Abrams et al.*, 79 Fed. 329, affirming the decree of the District Court, 7 Fed. Supp. 908). In a second proceeding in the Eastern District of New York prior to the decision of the Second Circuit Court of Appeals, the District Court held the patent not infringed (*Hazeltine* v. *R. E. B. Service Co.*, 8 Fed. Supp. 100). No appeal from the decree entered pursuant to this latter decision was ever taken by Hazeltine.

3. On September 26, 1934, while the appeal to the Second Circuit Court of Appeals was pending in the *Abrams* case, Respondent filed application for re-issue of the patent, based on alleged "inadvertence, accident or mistake" in procuring the original patent, as required by Section 4916 of the Revised Statutes,* without then calling to the attention of the Patent Office the adverse decisions the patent had

* The full text of Section 4916 R. S. will be found as an Appendix, p. 16.

received at the hands of the Court of the Eastern District of New York, and without amendment, in any respect, of any of the claims of the patent other than by the cancellation of one of the twelve claims thereof (claim 9), which claim was not involved in the litigation (see Vol. III, pp. 998 *et seq.*, particularly pp. 1047-1049).

4. The appeal was prosecuted by Hazeltine, and after the adverse decision of the Court of Appeals above referred to (79 Fed. (2d) 329), Respondent redrafted all but one of the patent claims and advised the Patent Office that the amendments were made in the light of the decision of the Second Circuit Court of Appeals (Vol. III, p. 1090).

5. Thereafter, on October 29, 1935, the reissue patent was granted.

6. On March 3, 1938, the complaint in the present case was filed against Petitioner, Detrola Radio and Television Corporation. Petitioner is the manufacturer of the internationally known "Detrola" radio receiver, with its factory located at Detroit, Michigan. Two of its receivers, known as Model 175 and Model 178, respectively, are charged to infringe. Petitioner is licensed under all of the patents of the so-called "Radio Patent Pool".* The specific feature of its receivers, charged to infringe, forms the subject matter of one or more of the patents under which Petitioner is licensed, and which, concededly, antedate and, it is contended (and held by the Second Circuit Court of Appeals), anticipate and invalidate the Wheeler patent.

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* This "Patent Pool" consists of all of the patents relating to radio owned by Radio Corporation of America, General Electric Company, Westinghouse Electric & Manufacturing Company, American Telephone & Telegraph Company, Western Electric Company, Bell Laboratories, etc., of which Radio Corporation of America is the managerial and licensing agent in the radio broadcast receiver field with which we are here concerned.

7. This feature, employed by Petitioner in its two challenged receivers, is the same as that which Petitioner has used since before the application for reissue; and the same as that employed in one of the receivers held by the District Court in New York in the *R. E. B. Service* case *supra* not to infringe the original Wheeler patent, in which decision the Hazeltine Corporation acquiesced.

8. Judge LEDERLE, in the District Court for the Southern Division of the Eastern District of Michigan, sustained the patent as valid and infringed, expressly declining to follow the decisions of the Courts of the Second Circuit (Vol. II, Finding 21, pp. 854-855).

9. The Sixth Circuit Court of Appeals has now affirmed the decree of the District Court, reaching a conclusion which is in difect conflict with that of the Second Circuit Court of Appeals, and which expressly differs therefrom in all details and findings on which the conclusion of the Second Circuit Court of Appeals was based. Moreover, the decision of the Sixth Circuit Court of Appeals on the subject of infringement is diametrically opposite to the final decree of the New York District Court in the *R. E. B. Service* case *supra*, because of the identity, in all material respects, between the Detrola receivers now found to infringe, and the receivers decreed by the Eastern District Court of New York not to embody Wheeler's invention. In addition, the Court refused to apply the decision of this Court in *Sontag Chain Stores Co. Ltd.* v. *United States Nut Co.*, 310 U. S. 281, and sustain Petitioner's intervening rights of which Petitioner was possessed as a result of the foregoing recited facts, particularly as recited in paragraphs 2 and 7 hereof.

10. The present petition, therefore, seeks a review of the decision of the Court of Appeals for the Sixth Circuit, and of the questions of validity and infringement of the Wheeler patent.

Reasons Relied Upon for the Grant of a Writ of Certiorari.

The discretionary power of this Court is invoked upon the following grounds:

1. Because a direct conflict exists between the Circuit Courts of Appeals for the Sixth and Second Circuits as to whether or not the Wheeler patent discloses a patentable invention.

2. Because the Court of Appeals for the Sixth Circuit has held, in effect, that want of invention in the disclosure of an original patent is a defect which can be cured by a reissuance thereof, thereby establishing a precedent on an important point of the patent law which is not only illogical but violative of the Reissue Statute as well, and which should be reviewed by this Court.

3. Because the decision of the Court of Appeals for the Sixth Circuit sanctions a most glaring abuse of the Reissue Statute, as well as an outstanding type of attempted evasion of the prerequisites thereof, thereby presenting a matter of great importance in the administration of patent law.

4. Because the Court of Appeals for the Sixth Circuit has sustained as valid a patent which is advanced as dominating the entire field of radio broadcast receiving-set manufacture. Because of the great importance of this subject matter to the educational and recreational life of the public, the validity of no patent of such far reaching effect should be accepted, even temporarily, without review by this Court.

WHEREFORE, your Petitioner respectfully prays that a writ of certiorari issue out of and under the seal of this

Court, directed to the United States Circuit Court of Appeals for the Sixth Judicial Circuit, commanding said Court to certify and send to this Court, on a day to be designated, a full transcript of the record and all proceedings of the Court of Appeals had in this case, to the end that this case may be reviewed and determined by this Court; that the judgment of the Court of Appeals be reversed; and that Petitioner may be granted such other and further relief as may seem proper.

SAMUEL E. DARBY, JR.,
Counsel for Petitioner.

FLOYD H. CREWS
HENRY P. ROSIN,
Of Counsel.

Dated: New York, N. Y.,
December 30, 1940.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

Opinions of the Courts Below.

The opinions of the District Court in New York are reported in 7 Fed. Supp. 908; and in 8 Fed. Supp. 100. The opinion of the Circuit Court of Appeals for the Second Circuit is reported in 79 Fed. (2d) 329.

The District Court rendered no opinion in the case at bar; it merely filed Findings and conclusions which are not reported, but will be found in Vol. II at pages 839-858, inclusive. The opinion of the Sixth Circuit Court of Appeals is not as yet reported, but will be found in Vol. III, at pages 1470 *et seq.*

Jurisdiction.

The grounds for jurisdiction are:

1. The date of the judgment to be reviewed is December 9, 1940.
2. The judgment was rendered in a civil suit brought under the patent statutes to determine the issues of validity and infringement of Letters Patent of invention.
3. The statute under which jurisdiction is invoked is 240(a) of the Judicial Code, 28 U. S. C. 347, as amended by the Act of February 13, 1925.
4. Cases believed to sustain the jurisdiction are:

General Electric Co. v. *Wabash Appliance Corp.*, 304 U. S. 364;

The Toledo Pressed Steel Co. v. *Montgomery Ward & Co.*, 307 U. S. 350.

Statement.

The facts are sufficiently stated in the petition.

Specification of Errors.

The errors which Petitioner will urge, if the petition for certiorari is granted, are that the Circuit Court of Appeals for the Sixth Circuit erred:

1. In sustaining the Wheeler patent as valid.
2. In sustaining the Wheeler patent as infringed.
3. In holding, in effect, that an original patent which fails to disclose a patentable invention may be validly reissued.
4. In holding, in effect, that a decree of invalidity by a Circuit Court of Appeals, despite the patentee's most vigorous prosecution of litigation seeking a different conclusion, created an instance of "inadvertence, accident or mistake" in the procurement of the original patent prescribed by the Reissue Statute as a condition to a valid reissue.
5. In failing to hold the reissue patent to be invalid because of unreasonable delay on the part of the patentee in applying therefor.
6. In failing to hold the patent to be invalid for anticipation by and want of invention over the prior art.
7. In failing to hold that defendant was possessed of intervening rights which preclude plaintiff from asserting the reissue patent against defendant.
8. In failing to hold that the patent is invalid because of failure to disclaim all invalid subject matter thereof when application for reissue was filed.

Summary of Argument.

The points of argument follow the reasons relied upon for the grant of a writ of certiorari, and are stated on page 5 of the petition, as well as in the index hereto. For the sake of brevity they are omitted at this point.

ARGUMENT.

POINT I.

There is direct conflict between the Circuit Courts of Appeals for the Sixth and Second Circuits as to whether or not the Wheeler patent discloses a patentable invention.

The opinion of the Second Circuit Court of Appeals (79 Fed. (2d) 329) expressly held (at p. 330) that "both in principle and means" the invention disclosed by the Wheeler patent was anticipated by the prior art; and again (at p. 330), that the problem to which the invention of the patent was assertedly directed "had been solved and the basic means was known" and that "Wheeler used that means"; and, again (at p. 331), that in the slight respect in which the disclosure of the Wheeler patent differed from the prior art it involved no invention, concluding with the statement (at p. 332):

> "We put this patent down as one of those step by step advances, not beyond the compass of capable investigators who run down every lead, and cull out those which appear advantageous."

The decision of the Sixth Circuit Court of Appeals differs therewith in every respect. The conflict between the deci-

sions is complete, and is on *every* point discussed by them both.

Of course, the decision of the Second Circuit Court of Appeals dealt with the original patent and that of the Sixth Circuit Court of Appeals dealt with the reissue thereof. This, of course, is immaterial because the Reissue Statute expressly provides that the reissue can be granted only "for the *same* invention" as that of the original; and likewise provides that "no *new* subject matter shall be introduced into the specifications" of the reissue.*

The direct and irreconcilable conflict between the two Circuit Courts of Appeals on the same subject matter is therefore obvious.

POINT II.

The Court of Appeals for the Sixth Circuit has held, in effect, that want of invention in the disclosure of an original patent is a defect which can be cured by a reissuance thereof, thereby establishing a precedent on an important question of patent law which is not only illogical but violative of the Reissue Statute as well, and which should be reviewed by this Court.

It seems to be too plain to warrant argument that if a patent is invalid for failure to disclose a patentable invention, its invalidity cannot be cured by reissuing the patent.

The Reissue Statute (Section 4916) recites, in part:

> "Whenever any patent is wholly or partly inoperative or invalid, by reason of a defective or insufficient specification, or by reason of the patentee claiming as his own invention or discovery more than he had a

* See Appendix, p. 16.

> right to claim as new, if the error has arisen by inadvertence, accident or mistake and without any fraudulent or deceptive intention, the Commissioner shall * * * cause a patent *for the same invention* * * * to be issued to the patentee or to his assigns or legal representatives for the unexpired part of the term of the original patent * * *"

and, later therein, that:

> "* * * no *new* matter shall be introduced into the specification."*

Obviously, if the alleged invention disclosed by an original patent is, in fact, no invention, or is an unpatentable one, a reissue for the *same* alleged invention can be no *more* an invention, or no more patentable than was the original disclosure thereof.

It follows as a matter of simple logic, that a valid reissue of a patent *held to be invalid for want of disclosure of a patentable invention* cannot be granted under the provisions of the statute. Were the law otherwise, or if the precedent of the decision of the Court of Appeals below were allowed to stand, the Examiner of the Patent Office (an administrative authority) would be vested with power, in *ex parte* proceedings before him, to review and set aside decisions of the Federal Courts of Appeals arrived at in *inter parte* proceedings wherein the same matters had been considered and judicially passed upon. The same reasoning which would permit the Patent Office to thus hold at naught a decision of a Circuit Court of Appeals would equally as well permit that disposition of a decision by this Court. Congress has never vested the Patent Office with any such power; and the danger is manifest of permitting a precedent to stand which sanctions the usurpation, by an administrative

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* Italics in this brief ours.

branch of the Government, of the authority of the judicial branch thereof.

Therefore, the fact that the Court of Appeals below has sustained, as valid, a reissue patent procured under these circumstances, establishes such an important precedent of such far reaching effect that it should be reviewed by this Court.

POINT III.

The decision of the Court of Appeals for the Sixth Circuit sanctions a most glaring abuse of the Reissue Statute, as well as an outstanding type of attempted evasion of the prerequisites thereof, thereby presenting a matter of great importance in the administration of patent law.

The facts of the case recited in the Petition (pp. 2-4) make it clear that the "inadvertence, accident or mistake" prescribed by the statute, and on which was predicated the application for the Wheeler reissue patent, was created *solely* and *nunc pro tunc* by the adverse decision of the Court of Appeals for the Second Circuit. That this, in fact, constituted no "inadvertence, accident or mistake" in the procurement of the original patent appears to be self evident. It becomes conclusively so, however, upon consideration of the fact that Respondent vigorously prosecuted its appeal to the Second Circuit Court of Appeals with the assertion that the original patent *was* operative and *was* valid; that the patent did *not* have a defective or insufficient specification; and that the patent did *not* claim for the patentee more than was his own invention or discovery, or more than he had a right to claim as new. How, then, can it be truthfully asserted after the adverse decision by the Court of Appeals,

as to *all* such contentions, that the patent is "wholly or partly *inoperative or invalid* by reason of a *defective or insufficient* specification, or by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new" by reason of an error which had "arisen by *inadvertence, accident or mistake*", as is recited by the statute as a prerequisite to a valid reissue? It is believed to be not only illogical, but fallacious as well, to accept, as did the Sixth Circuit Court of Appeals, as proof of "inadvertence, accident or mistake" in the procurement of the original patent, an adjudication adverse to the *deliberate* and *considered* actions and contentions of the patentee to the contrary.

Moreover, the patentee, under familiar authority of this Court, is under the burden of using diligence in correcting a presumed defect in his patent on being made cognizant thereof. In the present case, Respondent was apprised of the defects of the original patent by the answer of the defendant in the New York litigation; and again by the adverse decision of the District Court. *But Respondent took no steps to cure the defects.* To the contrary, it elected the alternative course of pressing its claim as being sufficient, valid and without defect. This fact alone necessarily establishes laches on the part of Respondent, such as should invalidate the reissue patent (cf. *Ensten* v. *Simon Ascher & Co.*, 282 U. S. 455).

It was not until the claim was adjudicated adversely to Respondent, by a Court in the Second Circuit, that it was asserted that the original patent was defective because of "inadvertence, accident or mistake". Thus, *considered and deliberate* proceedings in a vigorously contested litigation are attempted to be advanced as creating the "inadvertence, accident or mistake" prescribed by the Reissue Statute. Obviously, to sanction this is to sanction a glaring abuse of

the Reissue Statute, and to approve an outstanding example of an attempted evasion of the prerequisites thereof. In either event, the present situation presents a matter of great importance in the administration of the patent law which warrants the consideration of this Court.

POINT IV.

The Court of Appeals for the Sixth Circuit has sustained as valid a patent which is advanced as dominating the entire field of radio broadcast receiving-set manufacture. Because of the great importance of this subject matter to the educational and recreational life of the public, the validity of no patent of such far-reaching effect should be accepted, even temporarily, without review by this Court.

Little need be added, in argument, to the statement of this heading. This Court is well familiar with the importance of radio broadcast receivers in the educational and recreational life of the public. The opinion of the Sixth Circuit Court of Appeals below comments (Vol. III, p. 1471):

> "The patented device is used today in all well known radio receivers manufactured in the United States."

It seems self evident that the validity of no patent of such far reaching effect and public importance should be accepted, even temporarily, without review by this Court. And this is especially so where, as here, the Second and Sixth Circuit Courts of Appeals are in direct conflict as to whether or not the patent discloses an invention at all. Moreover, in addition to the ground of invalidity of subject matter on which the decision of the Second Circuit Court of Appeals was predicated, there are here involved various other grounds for invalidity because of the improper use of the Reissue Statute, hereinbefore briefly referred to.

Conclusion.

WHEREFORE Petitioner earnestly prays that the petition for a writ of certiorari be granted, the case be reviewed, and the decree of the Court of Appeals for the Sixth Circuit reversed.

Respectfully submitted,

SAMUEL E. DARBY, JR.,
Counsel for Petitioner.

FLOYD H. CREWS,
HENRY P. ROSIN,
Of Counsel.

Dated: New York, N. Y.,
December 30, 1940.

APPENDIX.

Section 4916 of the Revised Statutes.

Sec. 4916. (U. S. C., title 35, sec. 64). Whenever any patent is wholly or partly inoperative or invalid, by reason of a defective or insufficient specification, or by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new, if the error has arisen by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, the commissioner shall, on the surrender of such patent and the payment of the duty required by law, cause a patent for the same invention, and in accordance with the corrected specification, to be reissued to the patentee or to his assigns or legal representatives, for the unexpired part of the term of the original patent. Such surrender shall take effect upon the issue of the reissued patent, but in so far as the claims of the original and reissued patents are identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent to the extent that its claims are identical with the original patent shall constitute a continuation thereof and have effect continuously from the date of the original patent. The commissioner may, in his discretion, cause several patents to be issued for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue for each of such reissued letters patent. The specifications and claims in every such case shall be subject to revision and restriction in the same manner as original applications are. Every patent so reissued, together with the corrected specifications, shall have the same effect and operation in law, on the trial of all actions for causes thereafter arising, as if the same had been originally filed in such corrected form; but no new matter shall be introduced into the specification, nor in the case of a machine patent shall the model or drawings be amended, except each by the other; but when there is neither model nor drawing, amendments may be made upon proof satisfactory to the commissioner that such new matter or amendment was a part of the original invention, and was omitted from the specification by inadvertence, accident, or mistake, as aforesaid.

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